

THIS AGREEMENT Made and entered into this 21st day of March, 1944, by and between MONSANTO CHEMICAL COMPANY, a corporation organized and existing under the laws of the State of Delaware, and having its principal office in the City of St. Louis, Missouri, hereinafter referred to as "MONSANTO", and

I. F. Laucks	Resident of Washington	2719 shares
Helen V. Laucks	" Washington	2719 "
H. P. Banks	" Washington	1440 "
L. W. Eilertsen	" Washington	260 "
Jane Eilertsen	" Washington	100 "
William J. Eilertsen	" Washington	100 "
Richard L. Eilertsen	" Washington	100 "
Glenn Davidson	" Illinois	153 "
R. D. Ogden	" Washington	230 "
E. H. Merritt	" New York	291 "
E. H. Merritt, Trustee	" New York	322 "
L. G. Merritt	" New York	200 "
T. W. Dike	" Washington	5 "
J. T. Lively	" Washington	5 "
H. P. Rippey	" Washington	100 "
R. B. Thompson	" Washington	5 "
D. M. Williamson	" Washington	5 "
Laucks Laboratories, Inc. Corp. of	Washington	36 "

hereinafter collectively referred to as "Laucks Stockholders",

WITNESSETH:

WHEREAS, Laucks Stockholders are the owners of all the issued and outstanding common stock of the I. F. Laucks, Inc., a corporation organized and existing under the laws of the State of Washington, and having its principal office in the City of Seattle, Washington, and

WHEREAS, Monsanto desires to acquire all the outstanding common stock of I. F. Laucks, Inc. in exchange for shares of Monsanto Chemical Company voting common stock and the Laucks Stockholders desire to effect such exchange of stock, pursuant to a plan of reorganization under Section 112 (b) (3) and (g) of the U. S. Internal Revenue Code;

NOW, THEREFORE, IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

Section 1. (a) The rights and obligations hereunder of the persons, firms, and corporations who constitute the Laucks Stockholders, shall be several and not joint, and none of such parties shall be responsible for performance of the obligations and covenants of this agreement by the other parties constituting Laucks Stockholders.

(b) It is recognized that all the parties constituting Laucks Stockholders have not participated in the management of I. F. Laucks, Inc. to an extent sufficient to justify them in making all the warranties and representations herein contained respecting the business and affairs of I. F. Laucks, Inc.

Accordingly, it is agreed that only Irving F. Laucks, Helen V. Laucks, Harry P. Banks, Leo W. Eilertsen and E. H. Merritt, (who, collectively, are sometimes hereinafter referred to as "Laucks Warranting Stockholders") shall have any personal responsibility (several and not joint) for the correctness of the warranties and representations stated in Sections 2, 9, 10, 11 and 12 of this agreement; provided, that all of the Monsanto stock of all Laucks Stockholders deposited in escrow as described in Section 15, shall remain obligated for the correctness of such warranties and

representations. Monsanto shall have recourse to such escrow stock and shall first exhaust such escrow stock, or what remains of it, before proceeding personally against any of the five Laucks Warranting Stockholders on account of any false warranties or misrepresentations. The maximum liability of each of the five Laucks Warranting Stockholders in excess of the available escrow stock shall be that proportion of such excess liability as corresponds to the proportion he or she owns of the total amount of I. F. Laucks, Inc. common stock owned by such five persons.

(c) Monsanto shall not be obligated to perform any of its covenants and obligations hereunder unless all of the parties constituting Laucks Stockholders and Laucks Warranting Stockholders fully perform the several covenants and obligations to be performed by them under this agreement.

Section 2. Laucks Warranting Stockholders warrant and represent (1) that the issued and outstanding capital stock of I. F. Laucks, Inc. consists of 8,790 shares of no par value common stock, and 1,066 shares of \$6.00 preferred stock of the par value of \$100.00 each with a redemption or call price of \$105.00 each, all of which common and preferred shares are fully paid and non-assessable, and (2) that no dividends are in arrears on said preferred stock.

Section 3. It is understood I. F. Laucks, Inc. contemplates redeeming its preferred stock outstanding. Prior to the closing of the transaction hereunder, Laucks Stockholders shall cause I. F. Laucks, Inc. to acquire, redeem, cancel and retire all the shares of its preferred stock outstanding at a cost not to exceed \$105.00 per share, plus accrued dividends at the rate of

\$6.00 per year to the date of such acquisition or redemption, so that only 8,790 shares of common stock of said company shall be outstanding at the time of closing the transaction hereunder.

Section 4. After the cancellation and retirement of preferred stock provided for in Section 3, have been effected, Laucks Stockholders shall, pursuant to said plan of reorganization, assign, endorse, transfer and deliver to Monsanto all of the outstanding common stock of I. F. Laucks, Inc. in exchange for shares of the unissued common stock of Monsanto Chemical Company (not treasury stock), which shall be issued and delivered by Monsanto to Laucks Stockholders in proportion to their common stockholdings in I. F. Laucks, Inc. The exchange shall be on the basis of 2.845 shares of Monsanto common stock for each share of I. F. Laucks, Inc. common stock. No fractions of a share of Monsanto common stock shall be issued, but only whole shares shall be issued in the total number nearest to that required to make the exchange with each stockholder of I. F. Laucks, Inc.

Section 5. Said Monsanto shares of common stock to be issued hereunder shall be fully paid, non-assessable and listed on the New York Stock Exchange at the time of such issuance. In the event that after the date hereof and prior to the closing of the transaction hereunder, Monsanto issues any stock dividends or stock split-ups, the number of shares of Monsanto common stock to be issued hereunder shall be increased accordingly. In the event of the issuance during said period to Monsanto common stockholders of subscription rights, the number of shares of Monsanto common stock to be issued hereunder shall be increased by a number to be determined by dividing the closing market value on the date of issue (or the next date thereafter on which sales of rights are

made) of the subscription rights that would have been applicable to the shares to be issued hereunder if then issued and outstanding, by the closing market value per share of Monsanto common stock on that same date.

Section 6. It is understood that the listing of the Monsanto shares of common stock on the New York Stock Exchange and compliance by Monsanto with the Securities Exchange Act of 1934 are conditions precedent to the issuance of such shares. Monsanto agrees to apply for said listing and to use due diligence and exercise all reasonable efforts to effect such listing. Lauck stockholders have informed Monsanto that there are not more than eighteen owners and holders of the common stock of I. R. Lauck, Inc., and that they intend to acquire and hold the Monsanto shares of common stock as an investment, and not for the purposes of resale. Lauck Stockholders shall furnish Monsanto written statements to that effect. The parties have been advised by their respective counsel that the exchange of Monsanto shares of common stock for shares of stock of I. R. Lauck, Inc. as provided in Section 4, will not, in their opinion, necessitate the registration under the Securities Act of 1933, as amended, of the shares of Monsanto common stock to be issued hereunder. If the New York Stock Exchange or the Securities and Exchange Commission fails to approve the listing of said shares on the New York Stock Exchange in time for their issuance and delivery by the closing date hereunder, or if the Securities and Exchange Commission or the New York Stock Exchange requires the registration of said shares under the Securities Act of 1933, as amended, as a condition either to their issuance and delivery or listing on the New York Stock Exchange, then Monsanto shall have the right to defer the closing date of the transaction for a reasonable period of time sufficient in which to effect such

listing, or to prepare, file and make effective the required registration statement under the Securities Act of 1933, as amended. In such event I. P. Laucks, Inc. and Laucks Stockholders shall cooperate with Monsanto in effecting such listing and registration. If, notwithstanding the exercise of due diligence by Monsanto, such listing and registration cannot be effected on or before July 31, 1944, then all parties hereto shall be released without liability, and this agreement shall be null and void.

Section 7. Monsanto warrants and represents that it has outstanding 50,000 shares of \$4.50 Cumulative Preferred Stock, Series A, 50,000 shares of \$4.50 Cumulative Preferred Stock, Series B, 110,000 shares of \$4.00 Cumulative Preferred Stock, Series C, and 1,241,694 shares of common stock of the par value of \$10.00 per share (excluding 21,263 shares held in the treasury of the Company), that it has no other stock outstanding, that it has no funded indebtedness except \$417,061.44 owing by Monsanto of Brazil, Inc., and that all of such outstanding shares are listed on the New York Stock Exchange. Monsanto warrants and agrees that after the date hereof and prior to the closing of the transaction hereunder there will be no distribution or declaration of cash or property dividends or return of capital, (excepting the usual quarterly cash dividends not exceeding 50 cents per share on common stock, and the regular semi-annual dividends on preferred stock), that it will not issue any bonds, notes, debentures or commercial paper maturing later than one year from the date thereof, and that it will continue to carry on and conduct its business in the usual and ordinary manner.

Section 8. Laucks Stockholders agree to cause I. P. Laucks, Inc. to keep their properties protected by insurance for the account of whom it may concern, against fire, war damage, earthquake, and boiler explosion and such other hazards, and in such amounts, as are customarily insured against. In the case of any loss, the obligation of the parties to exchange stocks shall continue in effect.

Section 9. Laucks Warranting Stockholders warrant and represent that I. F. Laucks, Inc. owns the following amounts of capital stock in the following affiliated corporations, all of which stock is fully paid and non-assessable:

(a) All of the outstanding common stock of I. F. Laucks, Incorporated of Virginia, a Virginia corporation, consisting of 5,100 shares of no par value, and 520 shares of the outstanding \$15 shares of \$5.00 preferred stock of a par value of \$100 each.

(b) 1,085 shares of the outstanding 1,153 shares of common stock of the Lauxite Corporation, a New York corporation, having a par value of \$100 each. The 68 shares of remaining outstanding common stock are owned 34 shares each by Catherine M. Merritt and Cynthia M. Merritt, and 4 additional shares of common stock are subject to being issued to the order of Ericsson H. Merritt.

(c) 300 shares of the outstanding 500 shares of the capital stock of the Hercules-Laux-Merritt, Limited, of Quebec, Canada, having a par value of \$10.00 per share. The remaining 200 shares of outstanding capital stock are owned by Champlain Milk Products Company, Limited.

(d) 1,493 shares of the outstanding 2,061 shares of the capital stock of the Merritt Engineering and Sales Company, Inc., a New York corporation, having a par value of \$100 each. The remaining 568 outstanding shares are owned by members of the Merritt family.

(e) 8,000 shares of the outstanding 29,900 shares of the capital stock of I. F. Laucks, Limited, of Vancouver, Canada, a Canadian corporation, of a par value of \$1.00 each.

(f) 1,200 shares of the outstanding 1,600 shares of the common stock of the Laminating Patents Corporation, a Delaware corporation, having no par value. The remaining 400 shares outstanding are owned 300 shares by L. G. Merritt and 300 shares by E. H. Merritt.

Section 10. (a) Laucks Warranting Stockholders warrant and represent that the attached balance sheets as of December 31, 1943 and income statements for the years ending December 31, 1942 and December 31, 1943 of the I. F. Laucks, Inc., I. F. Laucks, Incorporated of Virginia, Lauxite Corporation, and Merritt Engineering and Sales Co., Inc., marked "Exhibits A to L", inclusive, are substantially correct, and that the assets, liabilities and incomes of said companies on the dates and for the periods stated were substantially as set forth in such financial statements.

(b) Laucks Warranting Stockholders also

warrant and represent that all letters patent, which have heretofore been issued to any of the officers, directors, or employees of I. F. Laucks, Inc. or its subsidiaries, (pertaining to products, processes or manufacturing equipment of the said companies) have been duly assigned to I. F. Laucks, Inc. or its subsidiaries, and that all applications for letters patent heretofore filed and pending or which may hereafter (prior to the closing date under this contract) be filed by any of the officers, directors or employees of said companies (pertaining to products, processes or manufacturing equipment of said companies) and all letters patent which may be granted on such applications, will also be duly assigned to I. F. Laucks, Inc. or its subsidiaries.

Section 11. Laucks Warranting Stockholders warrant and represent:

(a) That there have been no changes in the assets or liabilities of I. F. Laucks, Inc., I. F. Laucks Incorporated of Virginia, Lauxite Corporation or Merritt Engineering and Sales Company, since December 31, 1943, excepting as a result of conducting their businesses in the usual and ordinary manner, and that no extraordinary obligations or commitments not in the usual and ordinary course of business have been entered into since December 31, 1943;

(b) That in the period commencing January 1, 1944, and ending at the closing of the transaction hereunder, there have been, and will be no changes in the authorized or outstanding capitalization of I. F. Laucks, Inc., of Seattle, I. F. Laucks Incorporated of Virginia, Lauxite Corporation and Merritt Engineering and Sales Company, or the ownership thereof, except as provided in Section 3 and excepting 46 shares of common stock of Lauxite Corporation to be issued to the order of A. H. Merritt, and that there has been and will be no distribution or declaration of dividends or return of capital by I. F. Laucks, Inc. of Seattle,

or its subsidiaries, except as provided in Section 3.

(c) That during said period I. F. Laucks, Inc. of Seattle, I. F. Laucks Incorporated of Virginia, Lauxite Corporation and Merritt Engineering and Sales Company have not, and will not, lease, mortgage, pledge, sell or otherwise encumber or dispose of or contract in any wise to encumber or dispose of any portion of their businesses, properties and assets, except sales, leases or contracts therfor made in the usual and ordinary course of business, that they have not issued, and will not issue, any bonds, notes, debentures, acceptances or any commercial paper maturing later than one year from the date thereof, and that no contract or commitment for purchase of any raw material or sale of any product, exceeding customary commitments in value, has been or will be entered into without Monsanto's written consent.

Section 12. Laucks Warranting Stockholders warrant and represent that there are no agreements, contracts or other obligations of I. F. Laucks, Inc., or its subsidiaries not disclosed to Monsanto which would materially reduce the value of Monsanto's acquisition under this contract; that there are no contracts or obligations outstanding of such a nature as to materially injure the present or future financial standing of the companies mentioned; that no large customers or group of customers have notified or indicated to any of the companies above mentioned that they will discontinue their purchases from such companies; that there are not now, and prior to closing the transaction hereunder there will not be, outstanding any contracts or commitments for purchase of raw materials or sale of finished products extending beyond December 31, 1944; and that no important processes or apparatus used by I. F. Laucks, Inc., or its subsidiaries, infringe any valid unexpired United States patents, in so far as any of the officers, legal counsel, and patent counsel of said companies are now aware or have now or heretofore been charged with notice.

Section 13. If the transaction herein is consummated, Laucks Stockholders agree to use their best efforts to have such of the officers, directors and employees of I. F. Laucks, Inc. and

its subsidiaries, retain or surrender their positions, as Monsanto may desire. In order to fully preserve to Monsanto the good-will of the business of I. F. Laucks, Inc. and its subsidiaries, Messrs. Irving F. Laucks, Harry P. Banks and Leo W. Hilertsen agree, each for himself, and severally and not jointly, that he will not within five years after the termination of his employment with I. F. Laucks, Inc., or its successors in business, directly or indirectly, individually or as a member, officer, employe or consultant of any firm or corporation, engage or assist in the manufacture or sale in the United States of America or Dominion of Canada of any products now being manufactured or sold by I. F. Laucks, Inc., or its subsidiaries. All said persons agree, during their connection with I. F. Laucks, Inc., and thereafter, to keep confidential and not use or divulge to others without the written consent of Monsanto trade secrets and confidential sales, manufacturing or research information developed by or belonging to I. F. Laucks, Inc. or its subsidiaries, regardless of whether or not such information or developments be patented. It is agreed that after the closing of the transaction hereunder, Irving F. Laucks shall be retained by Monsanto or I. F. Laucks, Inc. as a part-time consultant at a compensation of \$4,800.00 per year for such period of time and covering such services and such other terms and conditions as shall be mutually agreeable to both parties, and Harry P. Banks and Leo W. Hilertsen shall be retained by Monsanto or I. F. Laucks, Inc. for such period of time and upon such terms and conditions as shall be mutually agreed upon.

Section 14. Laucks Stockholders do not know at this time what amount, if any, I. F. Laucks, Inc. and its subsidiaries will be required to return or credit to the United States Government or its contractors or sub-contractors under Section 403, as amended, of the Sixth Supplemental National Defense Appropriation

Act, 1942, sometimes called the "Renegotiation Act", or under Public Law No. 768 of the 77th Congress, covering the renegotiation of royalties under patents. It is agreed that in the event of such payment or credit to the United States Government or its contractors or sub-contractors on account of business for the year 1942, that the number of Monsanto shares to be issued under Section 4 in exchange for stock of I. F. Laucks, Inc. shall be reduced in accordance with the following formula: For this purpose Monsanto shares shall be valued at \$79.50 each. The amount of such refund or credit for the year 1942, (after subtracting therefrom the Federal income and excess profits taxes on the amount of such refund or credit) shall be multiplied by two and such product shall be divided by \$79.50, and the resulting figure shall be the number of shares of such reduction. In the event such payment or credit is not made until after the transaction hereunder is closed, such shares shall be returned to Monsanto from the escrow stock described in Section 15.

Section 15. (a) Laucks Stockholders, in proportion to their common stockholdings in I. F. Laucks, Inc., shall place and leave in escrow with the Seattle First National Bank of Seattle, Washington, as Trustee, twenty-six hundred of the Monsanto shares of stock to be issued hereunder, as collateral security to secure I. F. Laucks, Inc., and its successors, subsidiaries and Monsanto against any settlements, damages, costs, attorneys' fees and expenses which any of them may sustain or be compelled to pay or expend in connection with any claim or final judgment against any of them in litigation brought by or against any of them and based upon any alleged infringement of letters patent by, or in connection with other claims or causes of action of any kind against, I. F. Laucks, Inc., or any of its subsidiaries, occurring or accruing prior to the date of closing the transaction hereunder. In

the event adverse judgment is rendered against any of said companies, it or they shall perfect an appeal from such judgment if the majority in interest of Laucks Stockholders so request. In order to protect I. F. Laucks, Inc., its successors and subsidiaries and Monsanto against the effect of such final judgments or settlements, if any, the Trustee shall, without further notice, return to Monsanto so much of the shares held in escrow as may be required, on the basis of seventy-nine dollars, fifty cents per share (regardless of the then value of such shares), to cover the amount of such settlements, damages, costs, attorneys' fees and expenses, incurred or paid by any or all of said companies.

(b) It is the intention and understanding of the parties hereto that under Monsanto's ownership I. F. Laucks, Inc. and its subsidiaries and successors shall have the right to continue engaging in the manufacture, use and sale of those urea-formaldehyde resins heretofore constituting a part of the business of I. F. Laucks, Inc., and its subsidiaries, without payment of royalties for the use of patents held by third parties. Consequently, if in any litigation filed within 24 months of the date hereof said urea-formaldehyde operations are involved in alleged infringement of any of the United States patents numbered 1,790,461; 1,846,853; 2,019,834; 1,935,411; 2,101,639; 1,925,598; 1,645,848; 1,658,359; 2,092,502; 2,203,501; 2,290,946; Re. 22,124; 1,865,398; 1,972,110; 2,056,142, and if such charge of infringement is sustained by a final judgment of a court having jurisdiction of such matter, then sufficient shares of Monsanto stock deposited in escrow under this section (based upon a value of \$79.50 per share) shall be returned to Monsanto equal in value to the amount of any award for damages, plus court costs, expenses of defense, and of any payment of a lump-sum license royalty for the continued use of the patent or patents held to be infringed. In the event that Monsanto and a majority in interest of Laucks Stockholders are unable to agree upon the amount of lump-sum royalties to be paid for the continued future use of such patent or patents, either before

or after the institution or disposition of such litigation, the amount of such escrow stock (valued at \$79.50 per share) to be returned to Monsanto on account of such future lump-sum royalties shall be fixed and determined by arbitration. For such purpose the party desiring arbitration shall designate its arbitrator and give written notice thereof to the other party. Within 10 days after receipt of such notice the second party shall select its arbitrator and give written notice of such appointment to the first party, and within 10 days after receipt thereof by first party, the two arbitrators so appointed shall select a third arbitrator. If either party fails to select its arbitrator and notify the other party of such selection within the time stated, or if the two arbitrators so selected are unable to agree upon the third arbitrator within the time stated, then such second and/or third arbitrator shall be appointed by the presiding judge of the United States Circuit Court of Appeals for the Ninth Circuit. A decision by a majority of such arbitrators shall be binding upon both parties, and the fees and expenses of such arbitrators shall be borne in such manner as shall be determined by the arbitrators.

(c) That portion of such escrow stock not returned to Monsanto under the provisions of the two preceding paragraphs shall be released and delivered to Laucks Stockholders if such litigation is not filed within twenty-four months after the date of this agreement, or upon the final disposal of any and all litigation commenced within such twenty-four months' period, whichever last occurs. In the event of such litigation or claims, Laucks Stockholders shall be permitted at their expense to employ counsel to collaborate with counsel for I. F. Laucks, Inc. or Monsanto in the handling of said litigation or claims. Monsanto shall have the right to authorize any settlement not exceeding \$3,000 in amount without consent of Laucks Stockholders, but no settlement of such litigation or claims shall be entered into in-

volving the payment of damages in excess of \$3,000 without the written consent of the persons, firms or corporations holding a majority interest of such shares placed in escrow. The fees and expenses of the Trustee in administering the escrow shall be paid by Monsanto. The said Trustee shall, when and as received by it, distribute to the depositors of such stock all cash dividends upon such stock. All stock dividends and stock split-ups on said shares held in escrow shall be added to and be a part of and subject to the terms of this escrow.

Section 16. It is understood that all steps taken and to be taken, and all papers and documents to be executed in connection with this transaction, the issuance, transfer and delivery of stock hereunder, and all other legal details in connection with performing this agreement shall be subject to the approval of counsel for Monsanto and I. F. Laucks, Inc., and all details in connection with the carrying out of this agreement not specifically mentioned herein shall be carried out in such manner as may be agreed upon between the parties, subject to the approval of counsel for the two companies mentioned. Except as provided in Section 8 the transaction hereunder shall be closed on May 11, 1944, or such earlier date as may be mutually agreed upon by Monsanto and I. F. Laucks, Inc., at the office of I. F. Laucks, Inc. in Seattle, Washington, unless some other place be mutually agreed upon by the two companies mentioned.

Section 17. This agreement shall not become effective unless and until it is approved by the Board of Directors of Monsanto and by the Board of Directors and stockholders of I. F. Laucks, Inc., and is accepted in writing by all the common stockholders of I. F. Laucks, Inc. If all of such approvals and acceptances do not take place prior to March 31, 1944, then this agreement shall be null and void. The parties shall promptly notify each other by telegram, confirmed in writing, of the action taken by their respective Boards of Directors and by the stockholders

of I. F. Laucks, Inc. In the event that any of the warranties or representations recited herein is not true or is not fulfilled, the other parties to this agreement shall be excused and released from performance of this agreement on their part.. The rights and obligations of the parties hereunder shall further be conditioned upon obtaining prior to closing the transaction hereunder and not later than July 1, 1944, a ruling from the United States Commissioner of Internal Revenue to the effect that the transaction hereunder is a tax-exempt reorganization under Section 112 of the U. S. Internal Revenue Code, and does not result in any taxable gain to the stockholders of I. F. Laucks, Inc.

Wherever the term "Monsanto Chemical Company common stock" is used in this contract, it is understood that the same is Monsanto Chemical Company voting common stock.

In Witness Whereof the parties have set their hands and seals this 21st day of March, 1944.

MONSANTO CHEMICAL COMPANY

By Charles B. Edwards  
President

Ernest H. Merritt

E. H. Merritt Trustee

E. H. Merritt

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I. F. LANCES, INC.

Seattle, Washington

BALANCE SHEET - DECEMBER 31, 1943

ASSETS

CURRENT

Cash in banks and on hand	99,033.41	
Accounts and notes receivable		
Trade	214,727.20	
Royalties, etc.	6,033.04	
Officers and employees	6,725.31	
	227,485.55	
Less: Reserve for losses	870.11	
Inventories	226,615.44	
Advances to Affiliates	875,040.20	
Domestic	41,265.53	
Foreign (\$14,680.00 subject to foreign exchange restrictions)	77,712.94	
Total current assets	1,319,667.52	

INSURANCE CASH SURRENDER VALUES

54,640.34

CONDITIONAL SALES CONTRACTS

73,256.76

INVESTMENTS IN AFFILIATED COMPANIES

Domestic		
Capital Stocks	394,214.93	
Mortgage (subordinated to bank loan of mortgagor)	40,000.00	
Foreign		
Capital Stocks	14,373.76	
Long term note	2,014.29	450,602.98

POST WAR REFUND CLAIMS

24,479.55

OPERATING PROPERTIES

Land	10,551.09	
Buildings	110,523.78	
Plant machinery and equipment	211,084.09	
Other depreciable properties	76,265.75	
	408,424.71	
Less: Reserves for depreciation and amortization	169,196.88	239,227.83

INTANGIBLES

Patent rights, applications, trademarks and licenses, including revaluation	238,054.35	
Less: Reserve for amortization	97,477.49	140,576.86

DEFERRED CHARGES

22,051.02

Total Assets

2,324,502.86

LIABILITIES

CURRENT

Notes payable - bank loans	240,000.00	
Accounts payable		
Trade	119,508.36	
Affiliated companies	6,709.20	
Balances due trade customers and employees	11,709.82	
Income taxes withheld	13,975.05	151,902.43
Accrued charges		
Federal income and capital stock taxes	315,822.29	
State and local taxes	32,051.64	
Payroll taxes	4,368.51	
Interest	1,400.00	353,642.44
Total current liabilities		745,544.87

RESERVES

Quantity discounts	1,885.52	
Container deposits	17,539.36	19,424.88
Total liabilities and reserves		764,969.75

CONTINGENT LIABILITIES

In respect to bank loans to affiliated companies	\$275,000.00	
and in respect to possible renegotiation of contracts		

CAPITAL AND SURPLUS

CAPITAL STOCK

Preferred stock, 6% cumulative		
Authorized issue, 1500 shares of a par value of \$100.00 per share, issued and outstanding, 1066 shares	106,600.00	
Common stock		
Authorized issue, 10000 shares non par value, issued and outstanding 8790 shares	469,644.93	

EARNED SURPLUS

983,288.18	
Total capital and surplus	1,559,533.11

Total Liabilities, Capital and Surplus

2,324,502.86

I. F. LAUCKS, INCORPORATED  
PORTSMOUTH, VIRGINIA  
BALANCE SHEET  
DECEMBER 31, 1943

Exhibit B

EXHIBIT 7B

- ASSETS -			
<b>CURRENT ASSETS:</b>			
Cash:			
On deposit,	\$	\$ 11,434.75	\$
Petty cash fund,		100.00	
Working funds,		1,600.00	13,134.75
Accounts Receivable:			
Customers,	105,892.14		
Less: Reserve for doubtful items,	7,893.13	\$ 97,999.01	
I. F. Laucks, Inc., Seattle,		1,297.85	
Others,		2,119.29	101,416.15
Inventories: (at lower of cost or market)			
Finished goods,		\$ 44,593.51	
Work in process,		26,329.03	
Raw materials (soy beans \$387,252.49)		498,200.96	
Supplies,		19,383.68	588,507.18
Temporary Investments:			
U. S. Treasury Series "C" notes and accrued interest,			10,015.00
<b>TOTAL CURRENT ASSETS -</b>			<b>713,073.08</b>
(Current Ratio \$1.42 to \$1.)			
ACCOUNTS RECEIVABLE - F. R. Dunphy,			1,059.02
COPYRIGHT - Unamortized portion,			110.00
DEFERRED CHARGES - Unexpired insurance,			8,612.70
U. S. GOVERNMENT - Post-War Refund Credit,			3,752.70
<b>FIXED ASSETS:</b>			
	COST	APPRECIATION	TOTAL
Land,	\$ 6,202.19	\$ 1,610.17	\$ 7,812.36
Buildings,	44,949.24	25,693.62	70,632.86
Machinery and Equipment,	104,743.63	22,396.08	127,139.71
Furniture and Fixtures,	6,527.14	384.35	6,911.50
Automobiles,	1,746.57		1,746.57
Tools,	255.10		255.10
<b>TOTAL -</b>	<b>\$164,423.87</b>	<b>\$ 50,074.23</b>	<b>\$214,498.10</b>
Less: Depreciation,	62,812.25	26,635.94	89,448.19
<b>TOTAL FIXED ASSETS-NET</b>	<b>\$101,611.62</b>	<b>\$ 23,438.29</b>	<b>\$125,049.91</b>

\$851,657.41

- LIABILITIES -			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable:			
Trade creditors,	\$ 36,864.30	\$	\$
Commodity Credit Corporation:			
Processing allowance returnable a/c soy beans used for adhesives,	5,843.36		
Deferred a/c soy beans not processed,	1,056.36		
Customers' credit balances,	2,272.79		
Glenn Davidson - Commission account,	3,924.49	49,961.30	
Notes Payable - Due on demand,			300,000.00
Income Tax Withheld from Employees,	\$ 5,343.68		
Less: Depository receipts,	2,489.48	2,854.20	
Reserve for Taxes:			
Federal and State social security taxes,	\$ 1,239.41		
Federal capital stock tax - 1944,	3,125.00		
State of Virginia:			
Fiscal Year - Sept. 30, 1943,	6,305.64		
Three months ended Dec. 31, 1943,	1,313.70		
Federal income and excess profits taxes:			
Balance due - Fiscal year Sept. 30, 1943,	105,707.79		
Three months ended Dec. 31, 1943,	30,936.17	148,627.71	
<b>TOTAL CURRENT LIABILITIES -</b>			<b>501,443.21</b>
<b>NET WORTH:</b>			
Capital Stock:			
Preferred - 5% (Par \$100.00)			
Authorized 5,000 shares -			
Outstanding 815 shares,	\$ 81,500.00		
Common:			
Authorized 10,000 shares -			
Outstanding 5,100 shares,	77,500.00	\$159,000.00	
Surplus:			
Appraisal of Plant - Net,			
Balance, Sept. 30, 1943,	\$155,779.24	\$ 23,438.29	
Add: Net profit for 3 months ended Dec. 31, 1943,	14,034.17		
	\$169,813.41		
Less: Dividends paid,	2,037.50	167,775.91	191,214.20
<b>TOTAL NET WORTH -</b>			<b>350,214.20</b>

CONTINGENT LIABILITIES - None reported nor disclosed.  
FEDERAL INCOME TAX LIABILITY - Definitely determined by audit of Revenue Agent through year ended Sept. 30, 1941.

\$851,657.41

Monsanto Company 104(e) Response

Monsanto 2B000031

LAURITE CORPORATIONEXHIBIT X 7Balance Sheet, December 31, 1943  
(Subject to the attached report)AssetsCurrent

Cash on Hand and In Bank		\$ 18,099.24	
<u>Accounts Receivable</u>			
Inter Company Accounts	\$ 9,761.16		
Due from Employees	809.10		
Returnable Containers	507.00		
Royalties Receivable	420.00	11,497.26	
<u>Inventories</u>			
Raw Materials	\$ 22,980.97		
Finished Stock	21,413.98	44,394.95	\$ 73,991.45

Fixed Assets

Plant, Property and Equipment - net (Schedule A-1)		110,295.04	
(Appraised Value, October 18, 1943, (\$136,599.38))			

Prepaid, Deferred and Other

Prepaid Insurance	\$ 599.98		
Prepaid Interest	289.51		
Fuel Oil Inventory	549.63		
Post-war Refund Credit, Excess Profits Tax	1,125.02		
Miscellaneous	54.60	2,918.54	

<u>Total</u>		<u>\$187,205.03</u>	
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Liabilities

Accounts Payable	\$ 10,284.16		
Notes Payable - Bank	25,000.00		
Inter Company Accounts Payable	2,426.39		
Accrued Expenses	1,614.93		
Social Security and Withheld Taxes Payable	1,635.19		
Federal Income Taxes Payable	17,069.72		
Building Contract, Retainage	1,256.02		
Due Employees	200.91		
<u>Total</u>		<u>\$ 58,487.32</u>	

Capital and SurplusCapital Stock

Authorized, 2000 shares, \$100.00 par value			
Issued and Outstanding, 1153 shares	\$115,300.00		

Surplus

Balance, November 1, 1943	\$ 16,518.47		
Add: Return of Excessive Provision for Federal Income Taxes	3,684.10		
	\$ 20,202.57		
Less: Net Loss, November and December 1943 (Exhibit B)	6,784.86	13,417.71	128,717.71
<u>Total</u>		<u>\$187,205.03</u>	

MORRITT ENGINEERING & SALES CO., INC.EXHIBIT 4

Balance Sheet, December 31, 1943  
(Subject to the attached report)

<u>Assets</u>			
<u>Current</u>			
Cash on hand and in Banks		\$ 16,926.09	
<u>Accounts Receivable</u>			
Trade	\$104,979.54		
Less: Reserve for Doubtful Accounts	<u>11,205.51</u>		
	\$ 93,773.93		
Officer and Employees	941.10		
Intercompany Accounts	2,465.53		
Commissions Receivable	<u>151.50</u>	97,331.86	
Deposits on Machinery Ordered from Others		4,424.42	
<u>Inventories</u>			
Raw material, In Process, and Parts	\$244,579.54		
Less: Reserve for Inventory Valuation	<u>10,000.00</u>		
	\$234,579.54		
New and Used Machinery, Seattle Office	<u>2,003.45</u>	<u>236,582.99</u>	\$355,265.36
<u>Plant, Property, and Equipment</u> - net (Schedule A-1)			127,033.10
(Appraised value, November 15, 1943 \$258,792.51)			
Patents			5,312.64
<u>Prepaid, Deferred and Other</u>			
Prepaid Insurance	\$ 5,564.20		
Prepaid Taxes	995.62		
Prepaid Interest and Bank Discount	239.58		
Prepaid Commissions	2,000.00		
Coal Inventory	546.09		
Cash Surrender Value, Life Insurance	13,484.50		
Stocks and Bonds	1,304.86		
Edge Glue Development Costs	14,191.00		
Turret Lathe Development Costs	<u>2,492.76</u>	<u>40,518.61</u>	
	<u>Total</u>		<u>\$528,429.71</u>
<u>Liabilities</u>			
Accounts Payable	\$ 61,350.93		
Notes Payable	63,708.78		
Customers' Credit Balances	1,554.39		
Customers' Deposits on Orders	6,128.79		
Intercompany Account Payable	4,063.14		
Unearned Glue Commissions	7,260.83		
Due Stockholder	1,911.88		
Accrued Social Security Taxes	4,527.81		
Accrued Payroll	4,720.74		
Withheld Income Taxes	1,060.55		
Deductions from Payroll - Bonds, Hospital Insurance, etc.	1,403.30		
Bonus Payable	2,849.87		
Commission Payable	50.00		
Miscellaneous Taxes Payable	<u>50.97</u>	<u>\$180,641.98</u>	
Term Mortgage Payable		40,000.00	
Reserve for Federal Taxes on Income, Prior Years		<u>11,000.00</u>	
	<u>Total</u>		<u>\$231,641.98</u>
<u>Capital and Surplus</u>			
<u>Capital Stock</u>			
Authorized, 2500 shares, \$100.00 par value			
Issued and Outstanding, 2061 shares	\$206,100.00		
<u>Capital Surplus</u>			
Arising from transactions in Company's stock	80,057.80		
Earned Surplus (Exhibit C)	<u>10,629.93</u>	<u>296,787.73</u>	
	<u>Total</u>		<u>\$528,429.71</u>

I. F. LAUCKS, INC.

Exhibit E

CONDENSED INCOME, PROFIT AND LOSS STATEMENTFor Year Ended December 31, 1942INCOME

Net sales		3,645,276.10
Deduct		
Cost of goods sold	2,705,496.62	
Selling expense	<u>243,158.88</u>	<u>2,948,655.50</u>
		696,620.60
Add		
Royalties, dividends and other operating earnings		<u>227,185.40</u>
		923,806.00

DeductADMINISTRATIVE AND OVERHEAD

Administrative	192,197.71	
Overhead	151,995.20	
Financing charges	70,479.22	
Research and development	<u>142,098.05</u>	
	556,770.18	
Less: Charged to subsidiaries	<u>29,792.03</u>	<u>526,978.15</u>
Ordinary operating income		396,827.85

AddOTHER CREDITS TO INCOME

Profit on sale of equipment	807.01	
Profit realized on partial payment of Svenska Colonial-kompaniet note	<u>1,890.05</u>	<u>2,697.06</u>
		399,524.91

DeductOTHER CHARGES AGAINST INCOME

Materials destroyed		<u>8,367.78</u>
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Net income before provision for  
income and excess profits taxes

391,157.13

I. F. LAUCK, INCORPORATED  
PORT MOUTH, VIRGINIA  
OPERATING STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 1942

EXHIBIT "B" F

\*\*\*\*\*

SALES:

10-B, -----	\$ 391,204.96
200, -----	5,074.95
10-L, -----	12,686.86
Laursoy - Edible flour, -----	1,944.00
Laurize - Papercoating flour, -----	42,442.22
Feed meal, -----	102,952.21
Soybean oil and hulls, -----	244,171.84
Wall products, -----	100,491.41
Casein glue, -----	210,944.69
Laurite - Resin glue, -----	166,023.92
	<u>\$1,277,937.06</u>

Less: Outbound transportation and returns  
and allowances, ----- 32,144.41  
NET SALES ----- \$1,245,792.65

COST OF GOODS SOLD - (Schedule #2), ----- 865,438.45  
GROSS PROFIT ON SALES ----- \$ 380,354.20

SELLING EXPENSE - (Schedule #3), ----- 136,999.95  
SELLING PROFIT ----- \$ 243,354.25

ADMINISTRATIVE EXPENSE - (Schedule #3), ----- 102,400.64  
NET OPERATING PROFIT ----- \$ 140,953.61

OTHER INCOME:

Interest received, -----	\$ 103.41
Discount on purchases, -----	897.80
Rentals received, -----	168.18
Profit on transit shipments, -----	660.62
Profit on futures not converted into beans, -----	<u>28,467.50</u>
	<u>30,292.51</u>
	<u>\$ 171,246.12</u>

OTHER CHARGES:

Provision for bad debts, -----	\$ 905.87
Donations, -----	196.00
Interest and exchange, -----	5,189.12
Discount on sales, -----	13,135.83
Virginia income tax, -----	4,539.22
Federal income tax, -----	29,642.26
Federal excess profits tax, -----	52,396.04
Loss on oil futures, -----	<u>708.00</u>
	<u>106,712.34</u>
<u>NET PROFIT FOR YEAR - (Exhibit "A") -----</u>	<u>\$ 64,533.78</u>

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LAUXITE CORPORATION  
Statement of operations for the  
year ended October 31, 1942

Exhibit G

<b>Sales:</b>		
Z U F products	\$206,759.86	
Lauxein glue	4.31	
Miscellaneous	<u>221.60</u>	
		\$206,985.77
Discounts allowed	\$ 3,000.61	
Freight on sales	166.80	
Sales allowances	<u>78.88</u>	<u>3,246.29</u>
Net sales -		\$203,739.48
<b>Cost of sales:</b>		
Z U F products, per Exhibit III	\$144,655.51	
Lauxein glue	4.20	
Miscellaneous	<u>235.77</u>	<u>144,895.48</u>
Gross Profit -		\$ 58,844.00
<b>Selling expenses:</b>		
Allocation of I. F. Laucks, Incorporated, Portsmouth selling expenses per agreement	\$ 17,621.14	
Glue promotion	771.52	
Sales department expense and supplies	<u>50.07</u>	<u>18,442.73</u>
		\$ 40,401.27 -
<b>Administrative and general expenses, per Exhibit III</b>		
		<u>22,303.40</u> -
		\$ 18,097.87
<b>Research and development expenses:</b>		
Salaries	\$ 252.70	
Experimental	290.60	
Traveling (Van Kpps and Baeks)	<u>3,813.58</u>	<u>4,456.89</u>
		\$ 13,640.98 -
<b>Discounts received</b>		
		<u>615.66</u>
		\$ 14,256.64
<b>Provision for Federal income taxes</b>		
		<u>4,000.00</u>
<b>Profit for year ended October 31, 1942 carried to Exhibit I</b>		<u>\$ 10,256.64</u>

HERCUTT ENGINEERING & SALES CO., INC.  
Statement of operations for the year ended December 31, 1942

Exhibit III

Exhibit H

	Lookport Plant	Pacific Coast Office	Together	Eliminations	After eliminations	Percentage of net sales
<b>Sales:</b>						
Veneer machinery, turret lathes, etc. (made by company)*	\$400,209.02	\$ 78,989.80	\$479,198.82	\$ 74,173.15	\$405,025.67	62.93%
Machinery (made by others)	14,290.68	22,483.40	36,773.98		36,773.98	5.71
Other (repairs, etc.)	84,784.86	40,500.31	125,284.87		125,284.87	19.47
Vacuum veneering	69.00		69.00		69.00	-
Used machinery	37.50	22,091.35	22,128.85		22,128.85	3.44
"Cost Plus" contracts sales	<u>71,738.80</u>		<u>71,738.80</u>		<u>71,738.80</u>	<u>11.16</u>
	\$571,109.16	\$164,064.86	\$735,174.02	\$ 74,173.15	\$661,000.87	102.70%
Returned sales	\$ 14,409.22		\$ 14,409.22			
Sales allowances and discounts	<u>1,714.78</u>	<u>1,244.24</u>	<u>2,959.02</u>	<u>17,368.24</u>	<u>17,368.24</u>	<u>2.70</u>
Net sales	-	\$564,985.16	\$717,805.78	\$ 74,173.15	\$643,632.63	100.00%
<b>Cost of Sales:</b>						
Veneer machinery, turret lathes, etc. (made by company) per Exhibit IV	\$413,608.07	\$ 69,882.80	\$483,490.87	\$ 69,882.80	\$413,608.07	
Machinery (made by others)	14,622.22	20,199.49	34,821.71		34,821.71	
Other (repairs, etc.)	47,571.12	36,589.81	84,160.93	4,290.38	79,870.55	
Vacuum veneering	23.60		23.60		23.60	
Used machinery	97.00	19,001.19	19,098.19		19,098.19	
"Cost Plus" contract sales	<u>52,660.83</u>		<u>52,660.83</u>		<u>52,660.83</u>	
	\$528,582.84	\$145,673.29	\$674,256.13	\$ 74,173.15	\$600,082.98	
Cost of returned sales	<u>12,632.40</u>	<u>515,950.44</u>	<u>12,632.40</u>	<u>661,623.73</u>	<u>12,632.40</u>	<u>81.27</u>
Gross Profit	-	\$ 39,034.72	\$ 17,147.53	\$ 56,182.06	\$ 56,182.06	8.73%
Selling expenses, per Exhibit V	<u>24,143.01</u>	<u>940.76</u>	<u>23,202.26</u>		<u>23,202.26</u>	<u>3.61</u>
	\$ 14,891.71	\$ 18,088.09	\$ 32,979.80		\$ 32,979.80	5.12%
Administrative and general expenses per Exhibit V	<u>48,993.93</u>	<u>648.73</u>	<u>49,642.66</u>		<u>49,642.66</u>	<u>7.71</u>
	\$ 34,102.22	\$ 17,439.36	\$ 51,541.58		\$ 51,541.58	7.99%
Research and development expenses: Salaries, engineering and research Expense and supplies Experimental expense	\$ 11,604.94 1,035.64 <u>1,801.43</u>		\$ 11,604.94 1,035.64 <u>1,801.43</u>			
	14,542.01		14,542.01		14,542.01	2.26
	<u>46,644.23</u>	<u>17,439.36</u>	<u>64,083.59</u>	<u>31,204.87</u>	<u>32,878.72</u>	<u>5.11</u>
Other income: Interest Discounts Miscellaneous	\$ 468.16 524.89 <u>993.05</u>	6.56 1,374.60	\$ 464.71 1,899.49 <u>2,364.20</u>			
	\$ 44,562.53	\$ 18,820.52	\$ 63,383.05	\$ 25,842.11	\$ 37,540.94	5.83%
Machine lease rental of prior year Rebated, etc.	<u>5,196.44</u>		<u>5,196.44</u>		<u>5,196.44</u>	<u>.80</u>
Profit or loss for year ended December 31, 1942 carried to Exhibit I	<u>49,859.07</u>	<u>4,18,820.52</u>	<u>31,038.55</u>		<u>31,038.55</u>	<u>4.83</u>

\* Of this amount \$76,610.46 represents turret lathes and lathe tools, etc. and \$74,173.15 inter-office sales including repair parts, etc.

I. F. LAUCKS, INC.CONDENSED INCOME, PROFIT AND LOSS STATEMENTFor Year Ended December 31, 1943

<u>INCOME</u>			3,643,513.44
Net Sales			
<u>Deduct</u>			
Cost of goods sold	2,548,900.40		
Materials destroyed	48,199.67		
Selling expense	261,072.72		
<u>Less: Charged to subsidiaries</u>	<u>10,344.49</u>	<u>250,728.23</u>	<u>2,847,828.30</u>
Trading profit			795,685.14
<u>Add</u>			
Royalties, dividends, and other income			189,223.60
			984,908.74
<u>Deduct</u>			
<u>ADMINISTRATIVE AND OVERHEAD EXPENSE</u>			
Administrative	194,767.33		
Taxes, insurance, bonuses, and miscellaneous depreciation	163,387.99		
Financing charges	55,266.34		
Research and development	160,499.69		
	573,921.35		
<u>Less: Allocated and charged to subsidiaries</u>	<u>23,673.15</u>		<u>550,248.20</u>
Ordinary operating income			434,660.54
<u>Add</u>			
<u>GAIN ON DISPOSAL OF PROPERTIES</u>			<u>3,982.33</u>
Net income before provision for Federal income and excess profits taxes			438,642.87
<u>Deduct</u>			
<u>INCOME AND EXCESS PROFITS TAXES</u>			<u>307,578.20</u>
Net income after taxes			131,064.67

I. F. LAUCKS, INCORPORATED  
PORTSMOUTH, VIRGINIA  
OPERATING STATEMENT  
FOR THE CALENDAR YEAR 1943

EXHIBIT "B" J

<u>SALES:</u>		
10-B,	\$ 646,488.20	\$
200,	15,040.67	
10-L	4,306.49	
Laursoy - Edible flour,	3,398.30	
Laurize - Papercoating flour #96,	41,354.00	
Feed Meal,	57,271.02	
Soybean oil and hulls,	253,178.74	
Wall products,	50,661.68	
Casein Glue,	251,464.40	
Laurite - Resin Glue,	504,712.74	
	<u>\$1,827,876.24</u>	
Less: Outbound transportation and re-		
turns and allowances,	33,227.50	
<u>NET SALES -</u>		1,794,648.74
COST OF GOODS SOLD - (Schedule #1)		
		<u>1,368,353.08</u>
<u>GROSS PROFIT ON SALES -</u>		\$ 426,295.66
<u>SELLING EXPENSES - (Schedule #2)</u>		
		<u>170,843.10</u>
<u>SELLING PROFIT -</u>		\$ 255,452.56
<u>ADMINISTRATIVE EXPENSES (Schedule 3)</u>		
		<u>89,721.05</u>
<u>NET OPERATING PROFIT -</u>		\$ 165,731.51
<u>OTHER INCOME:</u>		
Interest received,	\$ 191.06	
Discount on purchases,	314.79	
Rentals received - Net,	144.92	
Profit on transit shipments,	.00	
Processing allowance - Commodity Credit Corp.	<u>63,599.08</u>	
<u>TOTAL OTHER INCOME -</u>		<u>64,849.85</u>
<u>GROSS INCOME -</u>		\$ 229,981.36
<u>OTHER CHARGES:</u>		
Provision for bad debts,	\$ 4,325.26	
Contributions,	225.00	
Interest and exchange,	1,850.87	
Discount on sales,	18,612.96	
Loss on equipment discarded, etc.,	111.02	
Provision for Income Taxes:		
Fiscal Year ended September 30, 1943:		
Federal income and surtax,	23,432.82	
Excess profits tax,	117,510.90	
Virginia income tax,	6,306.64	
Three months ended December 31, 1943:		
Federal income tax,	5,996.72	
Federal excess profits tax,	22,445.50	
Virginia income tax,	1,313.70	
<u>TOTAL OTHER CHARGES -</u>		<u>202,130.39</u>
<u>NET PROFIT FOR PERIOD - (Exhibit "A")</u>		\$ <u>27,850.97</u>

LAUXITE CORPORATIONExhibit BK

Statement of Income and Profit & Loss  
 Year Ended October 31, 1943  
 (Subject to the attached report)

Sales		\$535,446.88
Inventory of Finished Goods, Nov.1,1942	\$ 20,519.53	
Cost of Goods Manufactured(Schedule B-1)	<u>409,631.52</u>	
	\$430,151.05	
<u>Less: Inventory of Finished Goods,</u> October 31, 1943	<u>14,763.64</u>	<u>415,387.41</u>
Gross Profit on Sales		\$120,059.47
<u>Selling and Administrative Expense</u>		
Officers' Salaries	\$ 8,815.00	
Office Salaries	4,815.03	
Sales Expense, I.F. Laucks, Incorporated	48,115.29	
Advertising and Promotion	5,316.21	
Travel and Entertainment	2,032.60	
Telephone, Telegraph and Postage	3,399.68	
Legal and Professional	1,580.06	
Assessments, Dues, and Subscriptions	829.99	
Office Supplies and Expense	625.12	
Freight on Sales	1,613.24	
Social Security Taxes	314.80	
Capital Stock, Franchise, and		
Miscellaneous Taxes	1,322.01	
Automobile Expense	<u>229.11</u>	<u>78,808.14</u>
<u>Net Operating Profit</u>		\$ 41,251.33
<u>Other Income</u>		
Laboratory Sales Service	\$ 7,200.00	
Discounts Earned	1,173.52	
Profit on Sale of Auto	45.00	
Profit on Miscellaneous Sales	<u>17.71</u>	<u>8,436.23</u>
		\$ 49,687.56
<u>Other Expense</u>		
Experimental, Research and Development	\$ 9,611.53	
Discounts Allowed	8,715.88	
Interest and Bank Discount Paid	524.79	
Bad Debts	<u>114.56</u>	<u>18,966.76</u>
<u>Net Profit, before providing for Federal</u> <u>taxes on income</u>		\$ 30,720.80
Provision for Federal Income and		
Excess Profits Taxes		<u>18,000.00</u>
<u>Net Profit</u>		<u>\$ 12,720.80</u>

MERRITT ENGINEERING & SALES CO., INC.EXHIBIT E L

Statement of Income and Profit & Loss  
Year Ended December 31, 1943  
(Subject to the attached report)

Net Sales			\$1,087,572.06
Less: Cost of Goods Manufactured and Sold (Schedule B-1)			<u>985,588.79</u>
<u>Gross Profit on Sales</u>			\$ 101,983.27
<u>Administrative Expense</u>			
Administrative Salaries	\$ 17,546.84		
Office Salaries	12,128.83		
Office Expense, Printing and Supplies	3,663.23		
Telephone, Telegraph and Postage	4,862.14		
Legal and Professional	5,784.21		
Administrative Travel	1,619.96		
Dues and Subscriptions	319.09		
Social Security Taxes	845.15		
Auto Expense	656.44		
Tabulating Machine Rental	259.74		
Capital Stock, Franchise and Misc. Taxes	627.64		
Depreciation	877.46		
Rent	<u>240.00</u>	\$ 49,230.73	
<u>Selling Expense</u>			
Sales Salaries and Commissions	\$ 22,181.69		
Office Salaries	3,922.33		
Royalties Paid	8,635.00		
Travel and Entertainment	4,747.37		
Office Expense, Supplies	391.13		
Telephone, Telegraph and Postage	1,503.20		
Advertising	1,193.87		
Social Security Taxes	564.85		
Auto Expense	<u>263.77</u>	<u>43,393.11</u>	<u>92,623.84</u>
<u>Net Operating Profit</u>			\$ 9,359.43
<u>Other Income</u>			
Commissions Earned	\$ 31,169.22		
Discounts Earned	940.93		
Miscellaneous Income	<u>1,396.97</u>		<u>33,507.12</u>
			\$ 42,866.55
<u>Other Expense</u>			
Interest Paid and Bank Discount	\$ 9,461.13		
Bad Debts	2,700.68		
Insurance Expense - Life of Officer - net	213.42		
Sales Discount Allowed	<u>97.35</u>		<u>12,472.58</u>
<u>Net Profit</u>			<u>\$ 30,393.97</u>

LAUKE CORPORATIONSCHEDULE B

Statement of Income and Profit & Loss  
November and December 1943  
(Subject to the attached report)

Sales	\$ 96,971.49	
Less: Returned Sales and Allowances	<u>5,144.75</u>	\$ 91,826.74
Inventory of Finished Goods, November 1, 1943	\$ 14,763.64	
Cost of Goods Manufactured	<u>85,909.88</u>	
	\$100,673.50	
Less: Inventory of Finished Goods, December 31, 1943	<u>21,415.98</u>	<u>79,259.52</u>
<u>Gross Profit on Sales</u>		\$ 12,567.22
<u>Selling and Administrative Expense</u>		
Officers' Salaries	\$ 705.00	
Office Salaries	933.91	
Sales Expense, I. F. Lauke, Incorporated	9,178.28	
Advertising and Promotion	1,045.22	
Travel and Entertainment	311.12	
Telephone, Telegraph and Postage	635.06	
Legal and Professional	1,288.44	
Assessments, Dues, and Subscriptions	237.88	
Office Supplies and Expense	60.16	
Freight on Sales	511.42	
New York Franchise Tax	427.70	
Warehouse and Shipping Salaries	869.04	
Warehouse and Shipping Expense	<u>284.54</u>	<u>16,487.05</u>
<u>Net Operating Loss</u>		\$ 3,919.83
<u>Other Income</u>		
Laboratory Sales Service	\$ 1,200.00	
Discounts Earned	216.85	
Miscellaneous Income	6.00	
Recovery of Account Previously Written Off	24.33	
Income from Foreign Licenses	<u>157.80</u>	<u>1,604.68</u>
		\$ 2,315.15
<u>Other Expense</u>		
Experimental, Research and Development	\$ 1,926.05	
Discounts Allowed	2,366.89	
Interest and Bank Discount	<u>177.37</u>	<u>4,469.71</u>
<u>Net Loss</u>		\$ 6,784.86